GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7297
ANSWERED ON:13.05.2005
NEW VENTURE BY MUL
Patel Shri Kishanbhai Vestabhai

Will the Minister of FINANCE be pleased to state:

(a) whether the Foreign Investment Promotion Board (FIPB) has cleared the new joint venture proposal of Maruti Udyog for setting up a car plant in the country;

(b) if so, the details thereof in this regard;

(c) the details of the equity of Indian company in the said venture; and

(d) the time by which the said joint venture will start functioning?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMAN1CKAM):

(a) to (d) Foreign Investment Promotion Board (FIPB), has cleared the proposal of M/s Suzuki Motor Corporation, Japan in collaboration with their existing subsidiary company, M/s Maruti Udyog Ltd., for setting up a new joint venture company in India in the name of M/s Maruti Suzuki Automobile India Limited (MSAIL.) in its meeting held on 30.03.2005. MSAIL will manufacture certain models of M/s Suzuki Motor Corporation, Japan four wheeled vehicles, parts and accessories thereof. In the proposed joint venture company, M/s Suzuki Motor Corporation, Japan will hoid 30% of the equity capital and M/s Maruti Udyog Limited will hold remaining 70% of the equity capital. Proposed paid up capital of M/s Maruti Suzuki Automobile India Ltd. will be Rs. 40.00 crore. The company has proposed to commence the manufacturing by October, 2005.